

June 24, 2025

## Lithium Urban Technologies Private Limited: Ratings downgraded to [ICRA]BBB-(Stable) /[ICRA]A3

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Term loan	270.0	270.0	[ICRA]BBB- (Stable); downgraded from [ICRA]BBB (Stable)
Long term/ short term/ fund based non-fund-based facilities	30.0	30.0	[ICRA]BBB- (Stable)/[ICRA] A3; downgraded from [ICRA]BBB (Stable) /[ICRA] A3+
<b>Total</b>	<b>300.00</b>	<b>300.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The downgrade of ratings reflects the continued weakness in leverage and coverage indicators of Lithium Urban Technologies Private Limited (LUTPL) following slower-than-anticipated ramp-up of corporate employee transportation operations. The entity thus remains dependent on the parent entity, Green Growth Equity Fund (GGEF), to deploy funds for additional growth and meet the debt repayment obligations. LUTPL's ramp-up of operations for FY2025 was slow as the company experienced challenges with its existing fleet of vehicles, resulting in a higher turnaround time for undertaking repair and maintenance, impacting vehicle utilisation. The scale of operations and profit margins thus continue to remain moderate. Along with high debt level of around Rs. 156 crore as on March 31, 2025, this has translated into high leverage and continued subdued coverage indicators. The company's ability to improve its profit margins and generate ample cash profits would remain critical.

ICRA, however, draws comfort from the healthy financial flexibility and need-based funding support available to LUTPL from its majority shareholder, Green Growth Equity Fund (GGEF, owning a 87% stake on a fully diluted basis). In FY2025, GGEF infused Rs. 50 crore as equity to support the operations and debt repayment obligations and is likely to infuse additional Rs. 25 crore over the next one month. Timely equity infusion as envisaged remains a key rating sensitivity. The company is also planning to raise additional growth capital for funding its fleet expansion plans over the near-to-medium term.

ICRA also notes that in FY2026, the management engaged with the original equipment manufacturer (OEM) to improve service levels, thereby facilitating improvement in the vehicle utilisation from the low of around 80% in FY2024-25 to around 89% in the recent months of FY2026. Also, the company is looking to diversify its fleet of vehicles from a diverse set of OEMs to address the fleet-related challenges. The ratings also factor in LUTPL's established relationships with its clients, which augur well for the company's business prospects. Additionally, the company has diversified its revenues further by partnering with Uber for the ride-hailing business.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will get need-based funding support from GGEF in a timely manner. Besides fleet addition, this should aid LUTPL in ramping up of operations and improve profitability over the medium term.

### Key rating drivers and their description

#### Credit strengths

**Strong financial flexibility and need-based funding support available from its investor, GGEF** – At present, GGEF holds approximately 87% stake in the company on a fully diluted basis. GGEF's anchor investors are the Government of India-

anchored National Investment and Infrastructure Fund (NIIF) and the UK Government's Department for International Development (DFID), with a cumulative investment of \$340 million in the fund. As on date, the fund has been closed with total funding commitments of \$741 million, with investments from NIIF, DFID, British International Investment (the UK's development finance institution), Green Climate Fund/ Dutch Development Bank, GCF, BP and others. GGEF infused Rs. 50 crore in LUTPL in FY2025 and will be further investing Rs. 25 crore over the next one month. It remains committed to providing any need-based support to GGEF. With GGEF's focus and experience on sustainability and e-mobility projects, LUTPL is expected to benefit from this alliance. GGEF, as an investor, is also actively involved in the company's operations and decision making.

**Reputed client base and established relationships with customers** – At present, the company caters to a widespread and reputed client base, including companies such as Google, Accenture, Wipro, Infosys, JP Morgan and Credit Suisse, among others. Established relationships with clients provide ample growth prospects for the company with opportunities to expand its wallet share with them. Concurrently, counterparty-related risks remain low, given the strong credit profile of these clients.

**Healthy growth prospects, supported by shift in preference towards e-mobility** – The revenue prospects of LUTPL remain healthy over the medium term, aided by strong demand from corporates, led by the shift in preferences towards e-mobility and green vehicles. To meet this demand, LUTPL plans to ramp up its fleet over the next two years, for which it proposes to raise growth capital over the near term.

### Credit challenges

**Moderate scale of operations amid slower than anticipated pick up in revenues in FY2025**– At present, the company's scale of operations remains relatively modest with revenues of around Rs. 180 crore in FY2025 (as per provisional estimates). LUTPL's ramp-up of operations in FY2025 was slower than expected as the company experienced challenges with its existing fleet of vehicles.

**Continued weak financial profile** – The company's financial profile remains weak amid continued moderate operating profit margins and high debt levels, with the company incurring net losses in FY2025. The company is expected to touch the breakeven at profit before tax level when it reaches a fleet size of around 4,000 cars. Its coverage indicators remain subdued, with an interest cover of 0.4 times in FY2024 and 1.1 times estimated for FY2025. Its debt service coverage ratio stood low at 0.4 times as on March 31, 2025 as LUTPL depends on fund infusion from GGEF to meet its debt repayment obligations.

**Concentrated OEM supplier base** – The company mainly relies on one OEM for its fleet of electric vehicles, thereby exposing itself to OEM specific challenges. It witnessed a slower-than-anticipated ramp-up of operations in FY2025 as it experienced challenges with its existing fleet of vehicles, resulting in a higher turnaround time for undertaking repair and maintenance, impacting vehicle utilisation. However, ICRA notes that the company is looking to diversify its fleet of vehicles from a diverse set of OEMs to address fleet-related challenges.

### Liquidity position: Adequate

Lithium's liquidity is expected to remain adequate with free cash and bank balances of Rs. 7.4 crore as on June 08, 2025, largely deployed in fixed deposits and available working capital limits of Rs. 3.8 crore. The company is also expected to receive Rs. 25 crore of additional fund from GGEF over the next one month. Against this, the company has around Rs. 25 crore of term debt repayment obligations and Rs. 15 crore of lease payments for the remaining period of FY2026. The company is expected to incur around Rs.46 crore of capital expenditure towards fleet addition, which is expected to be funded by a mix of debt and equity. LUTPL is also in the process of raising growth capital over the near term to support its fleet expansion plans.

### Rating sensitivities

**Positive factors** – ICRA could upgrade Lithium's rating if there is substantial increase in revenues and earnings with demonstrated track record of profitable and self-sustaining operations, leading to strengthening of overall financial profile on a sustained basis.

**Negative factors** – A material change in committed support from the PE investor (GGEF) could trigger a downward revision in rating. Negative pressure on the rating could also arise in case of Lithium's inability to improve its earnings on a sustained basis.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of the company

## About the company

Lithium Urban Technologies Private Limited (LUTPL) was incorporated in October 2014 with its registered office in Bengaluru, Karnataka. The company commenced its commercial operations in June 2015 and now has a fleet of more than 2,200 EVs with a captive charging infrastructure of more than 1,000 points. The company provides B2B services to meet end-to-end transportation requirements of corporates through a fleet of electric vehicles and owns and operates a SaaS platform to manage transport requirements of retail and corporate customers, government entities, among others. The company has operations in more than 15 cities across India and is servicing customers with presence across various industries such as IT/ITeS, manufacturing, FMCG, consulting, BFSI and pharmaceuticals. The company is backed by GGEF, which holds around 87% stake on a fully diluted basis as on March 31, 2025.

The company witnessed a change in the leadership in September 2024 with Mr. Sanjay Krishnan (ex-CEO) moving to a non-executive role in the company (for personal reasons) and Mr. Don John Thomas assuming the position of CEO. Mr. Thomas has more than 20 years of experience in the logistics space. Also, Mr. Akhil Jain joined as the Chief Operating Officer in September 2024.

## Key financial indicators (audited)

Lithium – Standalone	FY2023	FY2024	FY2025*
Operating income	74.0	154.2	180.3
PAT	-50.4	-83.6	-59.0
OPBDIT/OI	-13.0%	6.7%	13.1%
PAT/OI	-68.2%	-54.2%	-32.7%
Total outside liabilities/Tangible net worth (times)	1.2	2.5	1.9
Total debt/OPBDIT (times)	-21.3	20.2	6.6
Interest coverage (times)	-1.0	0.4	1.1

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore; \*Provisional estimates

## Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
BRICKWORK	BWR B +/Stable; Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed and withdrawn	Aug 23, 2023

**Any other information: None**

## Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jun 24, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
<b>Term Loan</b>	Long-term	270.0	[ICRA]BBB- (Stable)	May 16, 2024	[ICRA]BBB (Stable)	Apr 26, 2023	[ICRA]BBB+ (Stable)	Feb 07, 2023	-
<b>Cash Credit</b>	Long-term	-	-	May 16, 2024	-	Apr 26, 2023	[ICRA]BBB+ (Stable)	Feb 07, 2023	-
<b>Fund based facilities</b>	Short-term	-	-	May 16, 2024	-	Apr 26, 2023	[ICRA] A2	Feb 07, 2023	-
<b>Fund based non-fund-based facilities</b>	Long-term/short-term	30.0	[ICRA]BBB- (Stable)/[ICRA]A3	May 16, 2024	[ICRA]BBB (Stable)/[ICRA] A3+	Apr 26, 2023	-	Feb 07, 2023	-
<b>Unallocated</b>	Long-term/short-term	-	-	May 16, 2024	-	Apr 26, 2023	-	Feb 07, 2023	[ICRA]BBB+ (Stable)/[ICRA] A2

## Complexity level of the rated instruments

Instrument	Complexity Indicator
<b>Term Loan</b>	Simple
<b>Fund based non-fund-based facilities</b>	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	FY2023	NA	FY2028	270.0	[ICRA]BBB- (Stable)
NA	Fund based non-fund-based facilities	NA	NA	NA	30.0	[ICRA]BBB- (Stable)/ [ICRA]A3

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis – Not Applicable**

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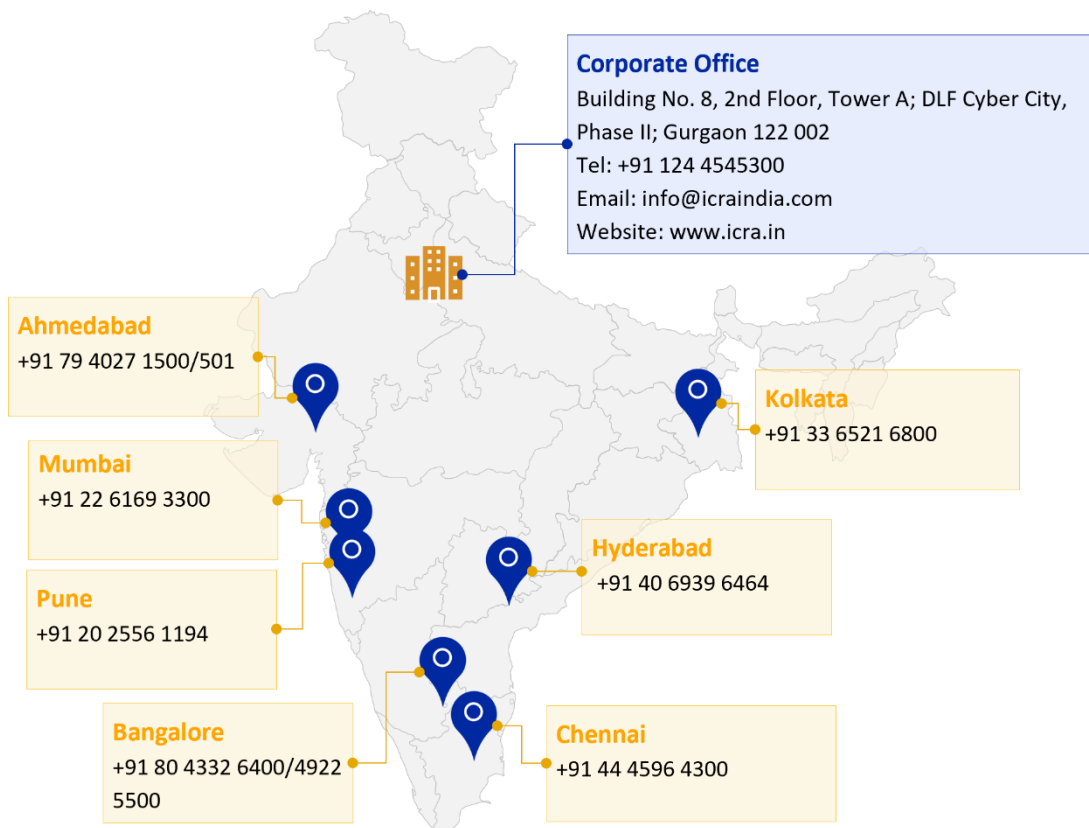
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